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UNCLAS SECTION 01 OF 02 ALGIERS 001571

SIPDIS

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SUBJECT: NEW TRAFFIC PLAN IN ALGIERS CAUSES DISCONTENT,
STRIKES

SUMMARY

¶11. The Ministry of Transportation began enforcing a new traffic plan June 1 in Algiers to reduce daytime traffic congestion throughout the capital. The new measure restricts the movement of trucks of more than 2.5 tons inside the capital to nighttime hours only. Truck drivers, dock workers, and transportation workers went on strike June 2 at the Port of Algiers to protest the new plan, leading to enormous delays in deliveries and the unloading of containers until a compromise was finally reached between unions and the wilaya of Algiers. Some business owners said that the strike, which ended June 12, had adversely affected 50% of their activities. Gas stations continue to face supply problems because the new restrictions also apply to fuel tankers, a situation exacerbated by increasing demand for diesel fuel. Algerian officials insist the new regulations will remain in effect despite widespread dissatisfaction. END SUMMARY

INTRODUCING A NEW
TRAFFIC PLAN FOR ALGIERS

¶12. The Ministry of Transportation and Algiers Wilaya (province) began enforcing June 1 a new traffic plan for the capital to reduce daytime traffic congestion, which has reached critical levels in recent months in some areas of Algiers due to increasing activity at the Port of Algiers, an increasing number of cars on the roads, and numerous construction projects throughout the city. The decision incited strikes and protests by the Port of Algiers truckers' union from June 1 to June 12 and caused delays in deliveries around the country. The new plan restricted the movement of trucks of more than 2.5 tons to nighttime hours only (8:00 p.m. to 6:00 a.m.) in 43 communities of Algiers. The new rules did not apply to deliveries of basic commodities. The measure was targeted to alleviate the increasing traffic problems exacerbated by trucks originating from the Port of Algiers, Algeria's largest container port, which manages two-thirds of national container traffic. According to Wilaya Transportation Directorate official Yahia Bendjoudi, about 25,000 trucks and tractor trailers drive every day in the capital, in addition to 700,000 cars, of which 80,000 entered onto the roads for the first time in 2004 alone, thanks largely to greater auto credit availability for consumers. The new plan was designed to ease the circulation of passenger vehicles and ensure better traffic flow throughout the city.

WORKERS' PROTESTS HAVE AN IMPACT

¶13. Following the implementation of the new plan, private and public delivery companies protested its implementation for ten days by declaring their refusal to work at night for "security reasons," effectively blocking about 10,000 containers at the Port of Algiers and causing significant losses for importers. The dock workers' union secretary general said that this "thoughtless" decision caused economic losses estimated at \$1.34 million per day, criticized authorities for not considering the consequences of the decision, and noted that the port, already operating 24 hours a day, could not meet demand of international shippers for lack of port space.

¶14. Ship unloading ground to a standstill during the strikes, leaving ships stranded at the port for days and unable to discharge cargo. Construction on major infrastructure projects slowed. Determined to hold firm, the Wilaya refused permission for the Algerian-German group building the Algiers metro to make daytime deliveries despite the potential for delays. Algiers Wilaya Chief of Staff told post that no waiver would be granted and that the decision on the new regulation was firm. According to a Ministry of Transportation official, however, a waiver would have been granted for the Algiers metro project.

AGREEMENT REACHED TO END THE STRIKES

¶15. The National Organization of Algerian Transporters held negotiations June 9 with the Algiers Wilaya Chief of Staff. After a long debate, the union agreed to end the strike and

resume activities at the port on June 12 provided that the Wilaya make a firm commitment to address the union's complaints. The parties established a working commission to identify the problems facing transporters that the authorities said they would resolve.

16. During a June 11 press conference, employers' confederations, unions, and economists assessed Algeria's economic situation. Employers expressed their discontent with the economic consequences of the new plan on their activities; delivery delays affected up to 50% of activities in some sectors.

17. The Port of Algiers remains the busiest container port in Algeria, with between 800 and 1,000 containers unloaded at the port daily. In 2004, more than 2,800 ships berthed at the Port of Algiers, representing a 2.78% increase over 2003. Total goods traffic was up by 8.81%, representing about 10 million tons, due to increases in agricultural and other imports. The port has faced numerous challenges in past months, including the implementation of a new port safety plan after the drowning inside port confines of more than a dozen merchant sailors in a November 2004 storm, and the blocking of the port's long-studied expansion plans in favor of constructing the adjacent Hamma desalination plant.

FUEL SUPPLIES AFFECTED

18. Since the strike ended, the Forum of Business Leaders (FCE) addressed a letter to Prime Minister Ouyahia requesting reconsideration of the decision. Moreover, gas stations began to face supply problems because the new traffic plan imposed restrictions on daytime deliveries in 18 communes of the wilaya. As a result, NAFTAL, the distribution agent, which used to employ various delivery rotations during the day, cannot properly ensure fuel delivery because of limited resources, the widespread closure of gas stations outside of daylight hours, and increasing demand for diesel fuel. Algiers Wilaya Chief of Staff publicly denied the rumor that the plan would be cancelled in September, adding that, on the contrary, more (unspecified) restrictions will be imposed. Any September decision might be timed to coincide with the start of Ramadan, when people work fewer hours and traffic increases.

SIEVERS